

MONTANA LEGISLATIVE HISTORY

Chapter 22 19 97

Bill H _____ S 70 Original bill & history ☒ C

H. Committee on Education & Cultural Resources

Hearing Date(s) Jan 29 ☒ C

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Date Out _____ C

S. Committee on Education & Cultural Resources

Hearing Date(s) Jan 12 ☒ C

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Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

1997 LEGISLATIVE HISTORY

The 1997 Montana Legislature has dramatically changed the nature of the legislative minutes. Specifically, the minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are somewhat fuller in content. Exhibits available from the State Law Library (which may include written statements, attendant information, roll call votes, roll call attendance, a list of public members present, specific action taken on legislative bills, etc.) are included with this request. For information on other exhibits, contact the Montana Historical Society Archives at 444-4774. Exhibits may also be purchased on a CD-ROM from the Montana Legislative Council (444-3064).

Just as in the 1995 legislative session, the House and Senate hearings were recorded. The Historical Society is the depository for the tapes. For information on accessing the tapes, call the archives at 444-4774.

If you have concerns over the format of the 1997 legislative minutes, it is suggested that you contact your state legislators.

SENATE BILL NO. 70

INTRODUCED BY GAGE

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE SCHOOL FINANCE AND BUDGETING LAWS; STANDARDIZING THE TERMS RELATING TO EQUALIZATION FUNDS AND THE BASIC COUNTY TAX FOR EQUALIZATION; ALLOWING SCHOOL TRUSTEES TO ADMINISTER OTHER FUNDS AUTHORIZED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION; ELIMINATING THE REQUIREMENT FOR A TEACHER TO KEEP AN ATTENDANCE REGISTER; MAKING TIME LIMITATIONS FOR HIGH SCHOOL DISTRICT BOUNDARY CHANGES CONSISTENT WITH ELEMENTARY DISTRICT TIME LIMITATIONS; CHANGING THE TERM "CASH BALANCE" TO "FUND BALANCE" WHEN APPROPRIATE; CHANGING REFERENCES TO "PUBLIC LAW 81-874" TO "IMPACT AID"; CORRECTING THE DATES FOR GIVING NOTICE OF THE PRELIMINARY SCHOOL BUDGET; CHANGING THE TERM "BASE FUNDING PROGRAM" TO "DIRECT STATE AID" WHEN APPROPRIATE; ALLOWING INDIRECT COST RECOVERIES TO BE DEPOSITED IN THE MISCELLANEOUS PROGRAMS FUND; SPECIFYING THE CASH BALANCE OF A LEASE AGREEMENT FOR A K-12 DISTRICT; ELIMINATING THE REQUIREMENT FOR A DISTRICT TO SEND COPIES OF BUS TRANSPORTATION CONTRACTS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION; ELIMINATING THE COUNTY SUPERINTENDENT'S DUTY TO CALCULATE THE APPORTIONMENT OF COUNTY EQUALIZATION MONEY; ELIMINATING THE REQUIREMENT FOR TRUSTEES TO ADOPT A BUDGET FOR THE TECHNOLOGY ACQUISITION FUND; PROVIDING FOR AN ANNUAL ALLOCATION OF GRANT MONEY FOR SCHOOL TECHNOLOGY; AMENDING SECTIONS 15-23-703, 17-3-222, 20-1-301, 20-3-205, 20-3-209, 20-3-324, 20-4-301, 20-5-316, 20-5-324, 20-6-314, 20-6-609, 20-6-701, 20-6-702, 20-9-115, 20-9-143, 20-9-161, 20-9-166, 20-9-212, 20-9-314, 20-9-331, 20-9-332, 20-9-333, 20-9-334, 20-9-335, 20-9-347, 20-9-507, 20-9-509, 20-9-514, 20-9-533, 20-9-534, 20-10-124, 20-10-144, 69-11-202, AND 85-8-612, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds -- taxable value for bonding and guaranteed tax base aid

1 to schools. (1) The department shall compute from the reported gross proceeds from coal a tax roll that
2 must be transmitted to the county treasurer on or before September 15 each year. The department may
3 not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against
4 the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed
5 to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

6 (2) For bonding, county classification, and all nontax purposes, the taxable value of the gross
7 proceeds of coal is 45% of the contract sales price as defined in 15-35-102.

8 (3) Except as provided in subsection (6), the county treasurer shall calculate and distribute to the
9 state, county, and eligible school districts in the county the amount of the coal gross proceeds tax,
10 determined by multiplying the unit value calculated in 15-23-705 times the tons of coal extracted, treated,
11 and sold on which the coal gross proceeds tax was owed during the preceding calendar year.

12 (4) Except as provided in subsections (5), (6), and (8), the county treasurer shall credit the amount
13 determined under subsection (3) and the amounts received under 15-23-706:

14 (a) to the state and to the counties that levied mills in fiscal year 1990 against 1988 production
15 in the relative proportions required by the levies for state and county purposes in the same manner as
16 property taxes were distributed in fiscal year 1990 in the taxing jurisdiction; and

17 (b) to school districts in the county that either levied mills in school fiscal year 1990 against 1988
18 production or used nontax revenue, such as ~~Public Law 81-874~~ impact aid money, as provided in 20 U.S.C.
19 7701, et seq., in lieu of levying mills against production, in the same manner that property taxes collected
20 or property taxes that would have been collected would have been distributed in the 1990 school fiscal
21 year in the school district.

22 (5) (a) If the total tax liability in a taxing jurisdiction exceeds the amount determined in subsection
23 (3), the county treasurer shall, immediately following the distribution from taxes paid on May 31 of each
24 year, send the excess revenue, excluding any protested coal gross proceeds tax revenue, to the department
25 for redistribution as provided in 15-23-706.

26 (b) If the total tax liability in a taxing jurisdiction is less than the amount determined in subsection
27 (3), the taxing jurisdiction is entitled to a redistribution as provided by 15-23-706.

28 (6) The board of county commissioners of a county may direct the county treasurer to reallocate
29 the distribution of coal gross proceeds taxes that would have gone to a taxing unit, as provided in
30 subsection (4)(a), to another taxing unit or taxing units, other than an elementary school or high school,

within the county under the following conditions:

(a) The county treasurer shall first allocate the coal gross proceeds taxes to the taxing units within the county in the same proportion that all other property tax proceeds were distributed in the county in fiscal year 1990.

(b) If the allocation in subsection (6)(a) exceeds the total budget for a taxing unit, the commissioners may direct the county treasurer to allocate the excess to any taxing unit within the county.

(7) The board of trustees of an elementary or high school district may reallocate the coal gross proceeds taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the coal gross proceeds taxes to the budgeted funds of the district in the same proportion that all other property tax proceeds were distributed in the district in fiscal year 1990.

(b) If the allocation under subsection (7)(a) exceeds the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district.

(8) The county treasurer shall credit all taxes collected under this part from coal mines that began production after December 31, 1988, in the relative proportions required by the levies for state, county, and school district purposes in the same manner as property taxes were distributed in the previous fiscal year. (In subsection (2), the deletion of the reference to subsection (5) of 15-35-102 terminates December 31, 2005--sec. 5, Ch. 318, L. 1995.)"

Section 2. Section 17-3-222, MCA, is amended to read:

"17-3-222. **Apportionment of ~~moneys~~ money to counties.** It ~~shall be~~ is the duty of the state treasurer to properly apportion and allocate ~~these moneys~~ the money received under 17-3-221 to the county treasurers, who ~~will~~ shall allocate and pay all such ~~moneys~~ the money as follows: 50% to the county general fund and 50% to the ~~common school fund of the elementary county~~ equalization fund."

Section 3. Section 20-1-301, MCA, is amended to read:

"20-1-301. **School fiscal year.** The school fiscal year ~~shall begin~~ begins on July 1 and ~~end~~ ends on June 30. At least 180 school days of pupil instruction ~~shall~~ must be conducted during each school fiscal year, except that 175 days of pupil instruction for graduating seniors may be sufficient, as provided in 20-9-313, or unless a variance for kindergarten has been granted under 20-1-302 or a district is granted

1 a variance under the provisions of chapter 9, part 8, ~~of this title~~. For any elementary or high school district
2 that fails to provide for at least 180 school days of pupil instruction, the superintendent of public instruction
3 shall reduce the ~~county equalization as defined in 20-9-334 and the state equalization as defined in~~
4 ~~20-9-343~~ direct state aid for the district for that school year by 1/90th for each school day less than 180
5 school days."

6
7 **Section 4.** Section 20-3-205, MCA, is amended to read:

8 **"20-3-205. Powers and duties.** The county superintendent has general supervision of the schools
9 of the county within the limitations prescribed by this title and shall perform the following duties or acts:

10 (1) determine, establish, and reestablish trustee nominating districts in accordance with the
11 provisions of 20-3-352, 20-3-353, and 20-3-354;

12 (2) administer and file the oaths of members of the boards of trustees of the districts in the county
13 in accordance with the provisions of 20-3-307;

14 (3) register the teacher or specialist certificates or emergency authorization of employment of any
15 person employed in the county as a teacher, specialist, principal, or district superintendent in accordance
16 with the provisions of 20-4-202;

17 (4) act on each tuition and transportation obligation submitted in accordance with the provisions
18 of 20-5-323 and 20-5-324;

19 (5) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

20 (6) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

21 (7) keep a transcript and reconcile the district boundaries of the county in accordance with the
22 provisions of 20-6-103;

23 (8) fulfill all responsibilities assigned under the provisions of this title regulating the organization,
24 alteration, or abandonment of districts;

25 (9) act on any unification proposition and, if approved, establish additional trustee nominating
26 districts in accordance with 20-6-312 and 20-6-313;

27 (10) estimate the average number belonging (ANB) of an opening school in accordance with the
28 provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

29 (11) process and, when required, act on school isolation applications in accordance with the
30 provisions of 20-9-302;

1 (12) complete the budgets, compute the budgeted revenues and tax levies, file final budgets and
2 budget amendments, and fulfill other responsibilities assigned under the provisions of this title regulating
3 school budgeting systems;

4 (13) submit an annual financial report to the superintendent of public instruction in accordance with
5 the provisions of 20-9-211;

6 (14) monthly, unless otherwise provided by law, order the county treasurer to apportion state
7 money, county school money, and any other school money subject to apportionment in accordance with
8 the provisions of 20-9-212, ~~20-9-334~~, 20-9-335, 20-9-347, 20-10-145, or 20-10-146;

9 (15) act on any request to transfer average number belonging (ANB) in accordance with the
10 provisions of 20-9-313(3);

11 (16) calculate the estimated budgeted general fund sources of revenue in accordance with the
12 general fund revenue provisions of the general fund part of this title;

13 (17) compute the revenues and the district and county levy requirements for each fund included
14 in each district's final budget and report the computations to the board of county commissioners in
15 accordance with the provisions of the general fund, transportation, bonds, and other school funds parts
16 of this title;

17 (18) file and forward bus driver certifications, transportation contracts, and state transportation
18 reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

19 (19) for districts that do not employ a district superintendent or principal, recommend library book
20 and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

21 (20) notify the superintendent of public instruction of a textbook dealer's activities when required
22 under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

23 (21) act on district requests to allocate federal money for indigent children for school food services
24 in accordance with the provisions of 20-10-205;

25 (22) perform any other duty prescribed from time to time by this title, any other act of the
26 legislature, the policies of the board of public education, the policies of the board of regents relating to
27 community college districts, or the rules of the superintendent of public instruction;

28 (23) administer the oath of office to trustees without the receipt of pay for administering the oath;

29 (24) keep a record of official acts, preserve all reports submitted to the superintendent under the
30 provisions of this title, preserve all books and instructional equipment or supplies, keep all documents

1 applicable to the administration of the office, and surrender all records, books, supplies, and equipment
2 the next superintendent;

3 (25) within 90 days after the close of the school fiscal year, publish an annual report in the county
4 newspaper stating the following financial information for the school fiscal year just ended for each district
5 of the county:

6 (a) the total of the cash balances of all funds maintained by the district at the beginning of the
7 year;

8 (b) the total receipts that were realized in each fund maintained by the district;

9 (c) the total expenditures that were made from each fund maintained by the district; and

10 (d) the total of the cash balances of all funds maintained by the district at the end of the school
11 fiscal year; and

12 (26) hold meetings for the members of the trustees from time to time at which matters for the good
13 of the districts must be discussed."

14
15 **Section 5.** Section 20-3-209, MCA, is amended to read:

16 **"20-3-209. Annual report.** The county superintendent of each county shall submit an annual report
17 to the superintendent of public instruction not later than September 1. ~~Such~~ The report shall must be
18 completed on the forms supplied by the superintendent of public instruction, ~~which shall require the~~
19 ~~reporting of~~ and must include:

20 (1) the final budget information for each district of the county, as prescribed by 20-9-134(1);

21 (2) the financial activities of each district of the county for the immediately preceding school fiscal
22 year as provided by the trustees' annual report to the county superintendent under the provisions of
23 20-9-213(5);

24 (3) the pupil information for each district provided the county superintendent under the provisions
25 of ~~20-4-301(1)(d) or~~ 20-4-402(7); and

26 (4) any other information that may be requested by the superintendent of public instruction ~~which~~
27 that is within his the superintendent's authority prescribed by this title."

28
29 **Section 6.** Section 20-3-324, MCA, is amended to read:

30 **"20-3-324. Powers and duties.** As prescribed elsewhere in this title, the trustees of each district

1 shall:

2 (1) employ or dismiss a teacher, principal, or other assistant upon the recommendation of the
3 district superintendent, the county high school principal, or other principal as the board considers
4 necessary, accepting or rejecting any recommendation as the trustees in their sole discretion determine,
5 in accordance with the provisions of Title 20, chapter 4;

6 (2) employ and dismiss administrative personnel, clerks, secretaries, teacher aides, custodians,
7 maintenance personnel, school bus drivers, food service personnel, nurses, and any other personnel
8 considered necessary to carry out the various services of the district;

9 (3) administer the attendance and tuition provisions and ~~otherwise~~ govern the pupils of the district
10 in accordance with the provisions of the pupils chapter of this title;

11 (4) call, conduct, and certify the elections of the district in accordance with the provisions of the
12 school elections chapter of this title;

13 (5) participate in the teachers' retirement system of the state of Montana in accordance with the
14 provisions of the teachers' retirement system chapter of Title 19;

15 (6) participate in district boundary change actions in accordance with the provisions of the districts
16 chapter of this title;

17 (7) organize, open, close, or acquire isolation status for the schools of the district in accordance
18 with the provisions of the school organization part of this title;

19 (8) adopt and administer the annual budget or a budget amendment of the district in accordance
20 with the provisions of the school budget system part of this title;

21 (9) conduct the fiscal business of the district in accordance with the provisions of the school
22 financial administration part of this title;

23 (10) establish the ANB, BASE budget levy, over-BASE budget levy, additional levy, operating
24 reserve, and state impact aid amounts for the general fund of the district in accordance with the provisions
25 of the general fund part of this title;

26 (11) establish, maintain, budget, and finance the transportation program of the district in
27 accordance with the provisions of the transportation parts of this title;

28 (12) issue, refund, sell, budget, and redeem the bonds of the district in accordance with the
29 provisions of the bonds parts of this title;

30 (13) when applicable, establish, financially administer, and budget for the tuition fund, retirement

1 fund, building reserve fund, adult education fund, nonoperating fund, school food services fund,
2 miscellaneous ~~federal~~ programs fund, building fund, lease or rental agreement fund, traffic education fund,
3 impact aid fund, ~~and~~ interlocal cooperative agreement fund, and other funds as authorized by the state
4 superintendent of public instruction in accordance with the provisions of the other school funds parts of
5 this title;

6 (14) when applicable, administer any interlocal cooperative agreement, gifts, legacies, or devises
7 in accordance with the provisions of the miscellaneous financial parts of this title;

8 (15) hold in trust, acquire, and dispose of the real and personal property of the district in
9 accordance with the provisions of the school sites and facilities part of this title;

10 (16) operate the schools of the district in accordance with the provisions of the school calendar part
11 of this title;

12 (17) establish and maintain the instructional services of the schools of the district in accordance
13 with the provisions of the instructional services, textbooks, vocational education, and special education
14 parts of this title;

15 (18) establish and maintain the school food services of the district in accordance with the provisions
16 of the school food services parts of this title;

17 (19) make reports from time to time as the county superintendent, superintendent of public
18 instruction, and board of public education may require;

19 (20) retain, when considered advisable, a physician or registered nurse to inspect the sanitary
20 conditions of the school or the general health conditions of each pupil and, upon request, make available
21 to any parent or guardian any medical reports or health records maintained by the district pertaining to the
22 child;

23 (21) for each member of the trustees, visit each school of the district not less than once each
24 school fiscal year to examine its management, conditions, and needs, except trustees from a first-class
25 school district may share the responsibility for visiting each school in the district;

26 (22) procure and display outside daily in suitable weather on school days at each school of the
27 district an American flag that measures not less than 4 feet by 6 feet;

28 (23) provide that an American flag that measures approximately 12 inches by 18 inches be
29 prominently displayed in each classroom in each school of the district, except in a classroom in which the
30 flag may get soiled. This requirement is waived if the flags are not provided by a local civic group.

(24) adopt and administer a district policy on assessment for placement of any child who enrolls in a school of the district from a nonpublic school that is not accredited, as required in 20-5-110; and

(25) perform any other duty and enforce any other requirements for the government of the schools prescribed by this title, the policies of the board of public education, or the rules of the superintendent of public instruction."

Section 7. Section 20-4-301, MCA, is amended to read:

"20-4-301. Duties of teacher -- nonpayment for failure to comply. (1) Any teacher under contract with a district shall:

(a) conform to and enforce the laws, board of public education policies, and the policies of the trustees of the district;

(b) ~~utilize~~ use the course of instruction prescribed by the trustees;

~~(c) keep, in a neat and businesslike manner, a teacher's register in the form and on the blanks prescribed by the superintendent of public instruction;~~

~~(d) within 10 days after the conclusion of each school semester, prepare a report in the manner and on the forms prescribed by the superintendent of public instruction, which must include the pupil attendance and absence data from his teacher's register that is necessary to calculate ANB. The report must be submitted to:~~

~~(i) the district superintendent, if there is one;~~

~~(ii) the principal of the school, if there is one and there is no district superintendent; or~~

~~(iii) the county superintendent or all county superintendents when the teacher is reporting for a joint district, if there is no district superintendent or principal.~~

~~(c)~~ (c) exercise due diligence in the care of school grounds and buildings, furniture, equipment, books, and supplies; and

~~(d)~~ (d) provide moral and civic instruction by:

(i) endeavoring to impress the pupils with the principles of morality, truth, justice, and patriotism;

(ii) teaching the pupils to avoid idleness, profanity, and falsehood;

(iii) instructing the pupils in the principles of free government and training them to comprehend the rights, responsibilities, and dignity of American citizenship.

(2) The trustees are authorized to withhold the salary warrant of any teacher who does not comply

1 with the provisions of subsection (1)(a) or (1)(b) until the teacher does comply with the provisions.

2 ~~(3) The trustees may not pay any teacher his last month's salary until he has provided a complete~~
3 ~~and accurate semester report to the required person, as determined by the person and as required in~~
4 ~~subsection (1)(d) of this section."~~

5
6 **Section 8.** Section 20-5-316, MCA, is amended to read:

7 **"20-5-316. Out-of-state tuition.** (1) The county superintendent of schools of the county of the
8 district of residence shall make payments from the elementary county ~~basic tax for elementary schools~~
9 equalization fund for children who are placed in facilities outside the state of Montana pursuant to 20-5-321
10 but not under the provisions of Title 20, chapter 7, part 4.

11 (2) The county superintendent of schools of the county of residence shall make payments from the
12 high school county ~~basic special tax for high schools as provided in 20-5-324~~ equalization fund for children
13 who are placed in facilities outside the state of Montana as a result of a court order or placement by a state
14 agency. This provision does not apply to children with disabilities that are defined under the provisions of
15 Title 20, chapter 7, part 4."

16
17 **Section 9.** Section 20-5-324, MCA, is amended to read:

18 **"20-5-324. Tuition report and payment provisions.** (1) At the close of the school term of each
19 school fiscal year and before July 15, the trustees of a district shall report to the county superintendent:

20 (a) the name and district of residence of each child who is attending a school of the district under
21 an approved mandatory out-of-district attendance agreement;

22 (b) the number of days of enrollment for each child reported under the provisions of subsection
23 (1)(a);

24 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of
25 20-5-323, and the tuition cost for each reported child; and

26 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident
27 students attending public schools out of state.

28 (2) The county superintendent shall send, as soon as practicable, the reported information to the
29 county superintendent of the county in which a reported child resides.

30 (3) Before July 30, the county superintendent shall report the information in subsection (1)(d) to

the superintendent of public instruction, who shall determine the total per-ANB entitlement for which the district would be eligible if the student were enrolled in the resident district. The reimbursement amount is the difference between the actual amount paid and the amount calculated in this subsection.

(4) Notwithstanding the requirements of subsection (5), tuition payment provisions for out-of-district placement of students with disabilities must be determined pursuant to Title 20, chapter 7, part 4.

(5) Except as provided in subsection (6), when a child has approval to attend a school outside the child's district of residence under the provisions of 20-5-320 or 20-5-321, the district of residence shall finance the tuition amount from the district tuition fund and any transportation amount from the transportation fund.

(6) When a child has mandatory approval under the provisions of 20-5-321, the tuition and transportation obligation for an elementary school child attending a school outside of the child's county of residence must be financed by the ~~county~~ basic county tax for elementary ~~districts~~ equalization, as provided in 20-9-331, for the child's county of residence or for a high school child attending a school outside the county of residence by the ~~county~~ basic county tax for high school ~~districts~~ equalization, as provided in 20-9-333, for the child's county of residence.

(7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay at least one-half of any tuition and transportation obligation established under this section out of the money realized to date from the appropriate ~~basic elementary or high school~~ county tax account equalization fund provided for in ~~20-9-334~~ 20-9-335 or from the district tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a school district that is entitled to tuition and transportation. Except as provided in subsection (9), the county treasurer shall credit tuition receipts to the general fund of a school district entitled to a tuition payment. The tuition receipts must be used in accordance with the provisions of 20-9-141. The county treasurer shall credit transportation receipts to the transportation fund of a school district entitled to a transportation payment.

(8) The superintendent of public instruction shall reimburse the district of residence for the per-ANB entitlement determined in subsection (3).

(9) (a) Any tuition receipts received under the provisions of Title 20, chapter 7, part 4, or 20-5-323(3) for the current school fiscal year that exceed the tuition receipts of the prior year may be

1 deposited in the district miscellaneous programs fund and must be used for that year in the manner
2 provided for in 20-9-507 to support the costs of the program for which the tuition was received.

3 (b) Any other tuition receipts received for the current school fiscal year that exceed the tuition
4 receipts of the prior year may be deposited in the district miscellaneous programs fund and may be used
5 for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must
6 be credited to the district general fund budget."

7
8 **Section 10.** Section 20-6-314, MCA, is amended to read:

9 "20-6-314. **Time limitations for boundary changes.** ~~No~~ A high school district may not be created
10 and ~~no~~ a high school district boundary may not be changed between the first day of ~~March~~ January and
11 the second Monday of August of any calendar year except when:

12 (1) the entire territory of a high school district is annexed or attached to another high school
13 district;

14 (2) the entire territory or portion of a joint high school district located in one county is annexed or
15 attached to another high school district; or

16 (3) two or more districts are consolidated in their entirety."

17
18 **Section 11.** Section 20-6-609, MCA, is amended to read:

19 "20-6-609. **Trustees' authority to acquire property by lease-purchase agreement.** The trustees of
20 a district may acquire real and personal property by an agreement to lease for 3 years with an option to
21 purchase. The terms of the lease must comply with 20-6-625. If real property is acquired, the trustees shall
22 comply with 20-6-603."

23
24 **Section 12.** Section 20-6-701, MCA, is amended to read:

25 "20-6-701. **K-12 school districts required -- definition -- procedure for creation -- exception.** (1)
26 Except as provided in subsection (4), ~~by the school fiscal year beginning July 1, 1995,~~ each elementary
27 district with the same district boundaries as a high school district shall attach to the high school district for
28 the purpose of establishing a K-12 school district.

29 (2) For the purposes of this title, unless the context clearly indicates otherwise, "K-12 school
30 district" means a high school district with an elementary district that has been attached to the high school

district under the procedures provided in this section, with the high school district remaining an organized district under the provisions of 20-6-101 and other provisions of law and the elementary district becoming an inactive district under the provisions of 20-6-101.

(3) The attachment of an elementary district to a high school district to form a K-12 school district must be conducted under the following procedure:

(a) The trustees of each district shall pass a resolution requesting the county superintendent to order an attachment involving their districts.

(b) When the county superintendent receives a resolution from each of the districts, the county superintendent shall, within 10 days after receipt of the last resolution, order the attachment of the elementary district to the high school district to take effect on July 1 of the ensuing school fiscal year. Within 30 days of the order, the county superintendent shall send a copy of the order to the board of county commissioners, the trustees of the districts included in the attachment order, and the superintendent of public instruction.

(4) This section does not apply to a school district receiving ~~Public Law 81-874~~ impact aid funding, as provided in 20 U.S.C. 7701, et seq., if creation of a K-12 district would result in the loss of ~~Public Law 81-874~~ impact aid funding."

Section 13. Section 20-6-702, MCA, is amended to read:

"20-6-702. Funding for K-12 school districts. (1) Notwithstanding the provisions of subsections (2) through (6), a K-12 school district formed under the provisions of 20-6-701 is subject to the provisions of law for high school districts.

(2) The number of elected trustees of the K-12 school district must be based on the classification of the attached elementary district under the provisions of 20-3-341 and 20-3-351.

(3) Calculations for the following must be made separately for the elementary school program and the high school program of a K-12 school district:

(a) the calculation of ANB for purposes of determining the total per-ANB entitlements must be in accordance with the provisions of 20-9-311;

(b) the basic county tax for elementary equalization and ~~revenues~~ revenue for the elementary BASE funding program ~~amount~~ for the district must be determined in accordance with the provisions of 20-9-331, and the basic ~~special~~ county tax for high school equalization and ~~revenues~~ revenue for the high school

1 BASE funding program amount for the district must be determined in accordance with 20-9-333; and

2 (c) the guaranteed tax base aid for BASE funding program purposes for a K-12 school district must
3 be calculated separately, using each district's guaranteed tax base ratio, as defined in 20-9-366. The BASE
4 budget levy to be levied for the K-12 school district must be prorated based on the ratio of the BASE
5 funding program amounts for elementary school programs to the BASE funding program amounts for high
6 school programs.

7 (4) The retirement obligation and eligibility for retirement guaranteed tax base aid for a K-12 school
8 district must be calculated and funded as a high school district retirement obligation under the provisions
9 of 20-9-501.

10 (5) For the purposes of budgeting for a K-12 school district, the trustees shall adopt a single fund
11 for any of the budgeted or nonbudgeted funds described in 20-9-201 for the costs of operating all grades
12 and programs of the district.

13 (6) Tuition for attendance in the K-12 school district must be determined separately for high school
14 pupils and for elementary pupils under the provisions of 20-5-320 through 20-5-324, except that the actual
15 expenditures used for calculations in 20-5-323 must be based on an amount prorated between the
16 elementary and high school programs in the appropriate funds of each district in the year prior to the
17 attachment of the districts."

18
19 **Section 14.** Section 20-9-115, MCA, is amended to read:

20 **"20-9-115. Notice of preliminary budget filing and final budget meeting.** Between July 10 ~~24~~ and
21 ~~July 20~~ August 4 of each year, the clerk of each district shall publish one notice, in the local or county
22 newspaper that the trustees of the district determine to be the newspaper with the widest circulation in
23 the district, stating that the preliminary budget for the district for the school fiscal year just beginning, as
24 prepared and adopted by the trustees, is on file in the clerk's office and open to inspection by all taxpayers.
25 The notice must also state the time and place that the trustees will meet on the ~~fourth~~ second Monday in
26 August for the purpose of considering and adopting the final budget of the district, that the meeting of the
27 trustees may be continued from day to day until the final adoption of the district's budget, and that any
28 taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."

29
30 **Section 15.** Section 20-9-143, MCA, is amended to read:

1 **"20-9-143. Allocation of federal funds in lieu of property taxation.** Federal funds received by a
2 district under the provisions of ~~Title I of Public Law 91-874~~ impact aid, as provided in 20 U.S.C. 7701, et
3 seq., or funds designated in lieu of ~~such~~ the federal act by the congress of the United States must be
4 deposited in the impact aid fund established in 20-9-514."

5
6 **Section 16.** Section 20-9-161, MCA, is amended to read:

7 **"20-9-161. Definition of budget amendment for budgeting purposes.** As used in this title, unless
8 the context clearly indicates otherwise, the term "budget amendment" for the purpose of school budgeting
9 means an amendment to an adopted budget of the district for the following reasons:

10 (1) an increase in the enrollment of an elementary or high school district that is beyond what could
11 reasonably have been anticipated at the time of the adoption of the budget for the current school fiscal year
12 whenever, because of the enrollment increase, the district's budget for any or all of the regularly budgeted
13 funds does not provide sufficient financing to properly maintain and support the district for the entire
14 current school fiscal year;

15 (2) the destruction or impairment of any school property necessary to the maintenance of the
16 school, by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit
17 for its present school use;

18 (3) a judgment for damages against the district issued by a court after the adoption of the budget
19 for the current year;

20 (4) an enactment of legislation after the adoption of the budget for the current year that imposes
21 an additional financial obligation on the district;

22 (5) the receipt of:

23 (a) a settlement of taxes protested in a prior school fiscal year;

24 (b) taxes from a prior school fiscal year as the result of a tax audit by the department of revenue
25 or its agents;

26 (c) delinquent taxes from a prior school fiscal year; or

27 (d) local government severance tax payments for calendar year 1995 production as provided in
28 15-36-325(7); and

29 (e) a determination by the trustees that it is necessary to expend all or a portion of the taxes
30 received under subsection (5)(a), (5)(b), (5)(c), or (5)(d) for a project or projects that were deferred from

a previous budget of the district ~~as a result of the protested taxes~~; or

(6) any other unforeseen need of the district that cannot be postponed until the next school year without dire consequences affecting the safety of the students and district employees or the educational functions of the district."

Section 17. Section 20-9-166, MCA, is amended to read:

"20-9-166. State financial aid for budget amendments. Whenever a final budget amendment has been adopted for the general fund or the transportation fund to finance the cost of an amendment resulting from increased enrollment, the trustees may apply to the superintendent of public instruction for increased payment from the state for ~~the BASE funding program~~ direct state aid or for state transportation reimbursement, or both. The superintendent of public instruction shall adopt rules for the application. The superintendent of public instruction shall approve or disapprove each application for increased state aid made in accordance with 20-9-314 and this section. When the superintendent of public instruction approves an application, the superintendent of public instruction shall determine the additional amount of state aid from the state or the state transportation reimbursement that will be made available to the applicant district because of the increase in enrollment. The superintendent of public instruction shall notify the applicant district of the superintendent's approval or disapproval and, in the event of approval, the amount of additional state aid that will be made available for the general fund or the transportation fund. The superintendent of public instruction shall disburse the state aid to the eligible district at the time the next regular state aid payment is made."

Section 18. Section 20-9-212, MCA, is amended to read:

"20-9-212. Duties of county treasurer. The county treasurer of each county shall:

(1) receive and hold all school money subject to apportionment and keep a separate accounting of its apportionment to the several districts that are entitled to a portion of the money according to the apportionments ordered by the county superintendent or by the superintendent of public instruction. separate accounting must be maintained for each county fund supported by a countywide levy for a specific, authorized purpose, including:

(a) the basic county tax ~~in support of the~~ for elementary BASE aid equalization;

(b) the basic ~~special~~ county tax for high schools ~~in support of the high school BASE aid~~

1 equalization;

2 (c) the county tax in support of the transportation schedules;

3 (d) the county tax in support of the elementary and high school district retirement obligations; and

4 (e) any other county tax for schools, including the community colleges, that may be authorized by
5 law and levied by the county commissioners.

6 (2) whenever requested, notify the county superintendent and the superintendent of public
7 instruction of the amount of county school money on deposit in each of the funds enumerated in subsection
8 (1) and the amount of any other school money subject to apportionment and apportion the county and other
9 school money to the districts in accordance with the apportionment ordered by the county superintendent
10 or the superintendent of public instruction;

11 (3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

12 (4) except as otherwise limited by law, pay all warrants properly drawn on the county or district
13 school money;

14 (5) receive all revenue collected by and for each district and deposit these receipts in the fund
15 designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent
16 school taxes must be credited to the same fund and district for which the original taxes were levied.

17 (6) send all revenue received for a joint district, part of which is situated in the county, to the
18 county treasurer designated as the custodian of the revenue, no later than December 15 of each year and
19 every 3 months after that date until the end of the school fiscal year;

20 (7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax
21 and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

22 (8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there
23 is insufficient money available in all funds of the district to make payment of the warrant. Redemption of
24 registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

25 (9) invest the money of any district as directed by the trustees of the district within 3 working days
26 of the direction;

27 (10) each month give to the trustees of each district an itemized report for each fund maintained
28 by the district, showing the paid warrants, registered warrants, interest distribution, amounts and types
29 of revenue received, and the cash balance;

30 (11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical

1 program within a unit of the university system when levied by the board of county commissioners under
2 the provisions of 20-25-439;

3 (12) invest the money received from the basic county tax, ~~the basic special tax~~ taxes for elementary
4 and high school equalization, the county levy in support of the elementary and high school district
5 retirement obligations, and the county levy in support of the transportation schedules within 3 working days
6 of receipt. The money must be invested until the working day before it is required to be distributed to
7 school districts within the county or remitted to the state. Permissible investments are specified in
8 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds
9 established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(d).

10 (13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,
11 all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all
12 interest earned and excluding any amount required for high school out-of-county tuition under the
13 provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347.
14 Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

15
16 **Section 19.** Section 20-9-314, MCA, is amended to read:

17 **"20-9-314. Procedures for determining eligibility and amount of increased average number**
18 **belonging due to unusual enrollment increase.** A district that anticipates an unusual increase in enrollment
19 in the ensuing school fiscal year, as provided for in 20-9-313(4), may increase its basic entitlement and
20 total per-ANB entitlement for the ensuing school fiscal year in accordance with the following provisions:

21 (1) Prior to May 10, the district shall estimate the elementary or high school enrollment to be
22 realized during the ensuing school fiscal year, based on as much factual information as may be available
23 to the district.

24 (2) No later than May 10, the district shall submit its application for an unusual enrollment increase
25 by elementary or high school level to the superintendent of public instruction. The application must include:

26 (a) the enrollment for the current school fiscal year;

27 (b) the average number belonging used to calculate the basic entitlement and total per-ANB
28 entitlement for the current school fiscal year;

29 (c) the average number belonging that will be used to calculate the basic entitlement and total
30 per-ANB entitlement for the ensuing school fiscal year;

(d) the estimated enrollment, including the factual information on which the estimate is based, as provided in subsection (1); and

(e) any other information or data that may be requested by the superintendent of public instruction.

(3) The superintendent of public instruction shall immediately review all the factors of the application and shall approve or disapprove the application or adjust the estimated average number belonging for the ensuing ANB calculation period. After approving an estimate, with or without adjustment, the superintendent of public instruction shall:

(a) determine the percentage increase that the estimated enrollment increase is over the current enrollment; and

(b) approve an increase of the average number belonging used to establish the ensuing year's basic entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in subsection (3)(a) is at least 6%.

(4) The superintendent of public instruction shall notify the district of the decision by the fourth Monday in June.

(5) Whenever an unusual enrollment increase is approved by the superintendent of public instruction, the increase of the average number belonging used to establish the basic entitlement and total per-ANB entitlement for the ensuing ANB calculation period is the difference between the enrollment for the ensuing school fiscal year and 106% of the current enrollment. The amount determined is the maximum allowable increase added to the average number belonging for the purpose of establishing the ensuing year's basic entitlement and total per-ANB entitlement.

(6) Any entitlement increases resulting from provisions of this section must be reviewed at the end of the ensuing school fiscal year. If the actual enrollment is less than the average number belonging used for BASE funding program and entitlement calculations, the superintendent of public instruction shall revise the total per-ANB entitlement and basic entitlement calculations using the actual average number belonging. All total per-ANB entitlements received by the district in excess of the revised entitlements are overpayments subject to the refund provisions of 20-9-344(4)."

Section 20. Section 20-9-331, MCA, is amended to read:

"20-9-331. Basic county tax for elementary equalization and other revenues revenue for county equalization of the elementary district BASE funding program. (1) The county commissioners of each county

1 shall levy an annual basic county tax of 33 mills on the dollar of the taxable value of all taxable property
2 within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2),
3 61-3-521, 61-3-527, 61-3-537, and 67-3-204, for the purposes of ~~local~~ elementary equalization and state
4 BASE funding program support. The revenue collected from this levy must be apportioned to the support
5 of the elementary BASE funding programs of the school districts in the county and to the state general fund
6 in the following manner:

7 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
8 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE
9 funding programs of all elementary districts of the county.

10 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
11 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
12 to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus
13 balance and each subsequent month ~~thereafter~~, with any final remittance due no later than June 20 of the
14 fiscal year for which the levy has been set.

15 (2) The revenue realized from the county's portion of the levy prescribed by this section and the
16 revenue from the following sources must be used for the equalization of the elementary BASE funding
17 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
18 by the county treasurer in accordance with 20-9-212(1):

19 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for
20 the ~~common school fund~~ elementary county equalization fund under the provisions of 17-3-222;

21 (b) the portion of the federal flood control act funds distributed to a county and designated for
22 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

23 (c) all money paid into the county treasury as a result of fines for violations of law, except money
24 paid to a justice's court, and the use of which is not otherwise specified by law;

25 (d) any money remaining at the end of the immediately preceding school fiscal year in the county
26 treasurer's accounts for the various sources of revenue established or referred to in this section;

27 (e) any federal or state money distributed to the county as payment in lieu of property taxation,
28 including federal forest reserve funds allocated under the provisions of 17-3-213;

29 (f) gross proceeds taxes from coal under 15-23-703;

30 (g) oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, and 67-3-204."

Section 21. Section 20-9-332, MCA, is amended to read:

"20-9-332. Fines and penalties proceeds for elementary county equalization. All fines and penalties collected under the provisions of this title, except those collected by a justice's court, ~~shall~~ must be paid into the ~~county~~ elementary county equalization fund as provided by 20-9-331(2)(c). In order to implement this section and any other provision of law requiring the deposit of fines in the elementary county equalization fund, a report ~~shall~~ must be made to the county superintendent of the county, at the close of each term, by the clerk of each district court, reporting all fines imposed and collected during the term and indicating the type of violation and the date of collection."

Section 22. Section 20-9-333, MCA, is amended to read:

"20-9-333. Basic ~~special levy~~ county tax for high school equalization and other revenue for county equalization of high school ~~district~~ BASE funding program. (1) The county commissioners of each county shall levy an annual basic ~~special~~ county tax for ~~high schools~~ of 22 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, and 67-3-204, for the purposes of ~~local~~ high school equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the county's high school tuition obligation and the total of the BASE funding programs of all high school districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus

balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed in this section and the revenue from the following sources must be used for the equalization of the high school BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established in this section;

(b) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(c) gross proceeds taxes from coal under 15-23-703;

(d) oil and natural gas production taxes;

(e) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, and 67-3-204."

Section 23. Section 20-9-334, MCA, is amended to read:

~~"20-9-334. Apportionment of county equalization moneys — high school out of county Out-of-county tuition obligations. (1) The county superintendent shall calculate the apportionment of revenues deposited in the basic county tax account and the revenues deposited in the basic special tax for high schools account to the several districts of the county. The apportionments shall be known as "county equalization moneys".~~

~~(2) The county superintendent shall direct the county treasurer to deduct from the revenues revenue available in the basic special tax for high schools account elementary and high school county equalization funds, prior to remittance of the funds to the state treasurer under the provisions of 15-1-504 and 20-9-212, the amount required for the month to pay the county's obligation for elementary and high school out-of-county tuition under 20-5-324."~~

Section 24. Section 20-9-335, MCA, is amended to read:

1 **"20-9-335. Formula for apportionment of county equalization money.** (1) The superintendent of
2 public instruction shall calculate the apportionment of revenue available in the base elementary and high
3 school county tax account and in the ~~base special tax for high schools account~~ equalization funds in
4 accordance with the following procedure:

5 (a) determine the percentage that the county equalization money available for the support of the
6 elementary direct state aid of the districts in the county is of the total elementary direct state aid of all
7 districts in the county;

8 (b) multiply the elementary direct state aid amount of each district by the percentage determined
9 in subsection (1)(a) to determine the portion of the county equalization money available to each school
10 district.

11 (2) The procedure in subsection (1) must also be applied for the high school direct state aid after
12 the deduction of the county's obligation for high school out-of-county tuition.

13 (3) Territory situated within a county may not be excluded from the calculations of the county
14 equalization money under this section solely because the territory lies within the boundaries of a joint
15 district. Cash balances to the credit of any district at the end of a school fiscal year may not be considered
16 in the apportionment procedure prescribed in this section.

17 (4) The county equalization money reported under these procedures is the first source of revenue
18 for financing the elementary and high school direct state aid payments."

19
20 **Section 25.** Section 20-9-347, MCA, is amended to read:

21 **"20-9-347. Distribution of BASE aid and special education allowable cost payments in support of**
22 **BASE funding program -- exceptions.** (1) The superintendent of public instruction shall:

23 (a) supply the county treasurer and the county superintendent with a monthly report of the
24 payment of BASE aid in support of the BASE funding program of each district of the county;

25 (b) in the manner described in 20-9-344, provide for a state advance to each county in an amount
26 that is no less than the amount anticipated to be raised for the base elementary and high school county
27 ~~tax fund~~ equalization funds as provided in 20-9-331 and ~~for the base special tax fund as provided in~~
28 20-9-333; and

29 (c) adopt rules to implement the provisions of subsection (1)(b).

30 (2) (a) The superintendent of public instruction is authorized to adjust the schedule prescribed in

20-9-344 for distribution of the BASE aid payments if the distribution will cause a district to register warrants under the provisions of 20-9-212(8).

(b) To qualify for an adjustment in the payment schedule, a district shall demonstrate to the superintendent of public instruction, in the manner required by the office, that the payment schedule prescribed in 20-9-344 will result in insufficient money available in all funds of the district to make payment of the district's warrants. The county treasurer shall confirm the anticipated deficit. This section may not be construed to authorize the superintendent of public instruction to exceed a district's annual payment for BASE aid.

(3) The superintendent of public instruction shall:

(a) distribute special education allowable cost payments to districts; and

(b) supply the county treasurer and the county superintendent of public instruction with a report of payments for special education allowable costs to districts of the county."

Section 26. Section 20-9-507, MCA, is amended to read:

"20-9-507. Miscellaneous programs fund. (1) The trustees of a district receiving money from local, state, federal, or other sources provided in 20-5-324 other than money under the provisions of ~~Title 1 of Public Law 81-874~~ impact aid, as provided in 20 U.S.C. 7701, et seq., or federal money designated for deposit in a specific fund of the district shall establish a miscellaneous programs fund for the deposit of the money. The money may be a reimbursement of miscellaneous program fund expenditures already realized by the district, a payment received as a local government severance tax payment for calendar year 1995 production as provided in 15-36-325, indirect cost recoveries, or a grant of money for the financing of expenditures to be realized by the district for a special, approved program to be operated by the district. When the money is a reimbursement or a local government severance tax payment, the money may be expended at the discretion of the trustees for school purposes. When the money is a grant, the money must be expended according to the conditions of the program approval by the superintendent of public instruction or any other approval agent. Within the miscellaneous programs fund, the trustees shall ~~cause maintain~~ maintain a separate accounting ~~to be maintained for each local, state, or federal grant program and for the aggregate of all reimbursement money project and the indirect cost recoveries.~~

(2) The financial administration of the miscellaneous programs fund must be in accordance with the financial administration provisions of this title for a nonbudgeted fund."

1 **Section 27.** Section 20-9-509, MCA, is amended to read:

2 **"20-9-509. Lease or rental agreement fund.** (1) The trustees of any district that provides pupil or
3 teacher housing in district-owned buildings under a lease or rental agreement with pupils or teachers or
4 receives ~~moneys~~ money under the provision of 20-6-607 may establish a lease or rental agreement fund.
5 All ~~moneys~~ money received from ~~such~~ the lease or rental agreements may be deposited with the county
6 treasurer to the credit of the lease or rental agreement fund, general fund, the debt service fund, or any
7 other appropriate fund. Whenever the end-of-the-year cash balance of a lease or rental agreement fund is
8 more than \$10,000 for an elementary or high school district or \$20,000 for a K-12 district, such the cash
9 balance in excess of ~~\$10,000 shall~~ this limit must be transferred to the general fund of the district.

10 (2) Any expenditure of ~~moneys~~ money from a lease or rental agreement fund ~~shall~~ must be made
11 for the maintenance and operation of the district-owned buildings to which the lease or rental agreements
12 apply or for the acquisition of additional housing or dormitory facilities. The financial administration of the
13 lease or rental agreement fund ~~shall~~ must be in accordance with the financial administration provisions of
14 this title for a nonbudgeted fund."

15
16 **Section 28.** Section 20-9-514, MCA, is amended to read:

17 **"20-9-514. Impact aid fund.** (1) The trustees of a district that receives federal funds under the
18 provisions of ~~Title I of Public Law 81-874~~ impact aid, as provided in 20 U.S.C. 7701, et seq., shall establish
19 an impact aid fund. Money received under the provisions of ~~Public Law 81-874~~ 20 U.S.C. 7701, et seq.,
20 must be deposited with the county treasurer to the credit of the impact aid fund.

21 (2) The expenditure of money from the impact aid fund must be made pursuant to ~~Title I of Public~~
22 ~~Law 81-874~~ 20 U.S.C. 7701, et seq. The impact aid fund must be administered pursuant to the financial
23 administration provisions of this title for nonbudgeted funds."

24
25 **Section 29.** Section 20-9-533, MCA, is amended to read:

26 **"20-9-533. Technology acquisition fund -- limitations.** (1) The trustees of a district may establish
27 a technology acquisition fund for school district expenditures incurred for:

28 (a) the purchase, rental, repair, and maintenance of technological equipment, including computers
29 and computer network access; and

30 (b) associated technical training for school district personnel.

(2) The trustees of a district shall fund the ~~budget for the~~ technology acquisition fund with the state money received under 20-9-534 and with other local, state, and federal funds received for the purpose of funding technology.

~~(3) Whenever the trustees of a district establish the technology acquisition fund, the trustees shall~~
~~(a) adopt a resolution stating the reasons and purpose for financing a technology acquisition fund~~
~~budget;~~

~~(b) adopt a budget for the amount required for the technology acquisition fund for the ensuing~~
~~school fiscal year; and~~

~~(c) report the technology acquisition fund budget to the county superintendent on the regular~~
~~budget form prescribed by the superintendent of public instruction in accordance with 20-9-103.~~

~~(4)~~(3) The trustees of a district may not use revenue in the technology acquisition fund to finance contributions to the teachers' retirement system, the public employees' retirement system, or the federal social security system or for unemployment compensation insurance."

Section 30. Section 20-9-534, MCA, is amended to read:

"20-9-534. School technology purchases. ~~The~~ By September 1, the superintendent of public instruction shall allocate the annual amount appropriated for grants for school technology purchases to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided in 20-9-343(3)(a)(ii) in the current school year."

Section 31. Section 20-10-124, MCA, is amended to read:

"20-10-124. Private party contract for transportation -- individual transportation contract. (1)
When the trustees contract with any private party to provide transportation to eligible transportees, the private party shall comply ~~in every respect~~ with the regulations of the board of public education for the standards of equipment, operation and safety of the school bus, and qualifications of the driver. The trustees may, ~~in contracting with private parties,~~ require added safeguards by supplementing the board of public education policies in the contract with additional requirements for bus specifications, age of drivers, liability insurance, operating speed, or any other contractual condition ~~deemed~~ considered necessary by the trustees.

(2) Any school bus transportation by a private party or individual transportation that is furnished by a district ~~shall~~ must be under contract, and ~~no~~ district, county, or state money ~~shall~~ may not be paid for such transportation services to any person or firm who does not hold a legal contract with the district. Transportation contracts for the ensuing year ~~shall~~ must be completed by the fourth Monday of June, except when an eligible transportee establishes residence in the district after the fourth Monday of June and a contingency amount is included in the regular transportation budget or an emergency transportation budget is adopted.

(3) Transportation contracts between a district and a private party for the provision of school bus transportation ~~shall be subject to the following requirements~~ must:

(a) ~~the contract shall be completed in quadruplicate and, upon completion, triplicate, with one copy shall be for the county superintendent, one copy for the private party, one copy for the superintendent of public instruction, and one copy shall be retained by~~ for the district;

(b) ~~the contract terms shall require conformance~~ conform to the transportation law, policies of the board of public education, and rules of the superintendent of public instruction; and

(c) ~~the contract shall be signed by the chairman~~ presiding officer of the trustees and the private party.

(4) A transportation contract between a parent or guardian of an eligible transportee and a district for the provision of individual transportation ~~shall be~~ is subject to the following requirements:

(a) it ~~shall~~ must be completed in quadruplicate ~~and, upon approval, with one copy shall be for the parent or guardian, one copy for the district, one copy for the county superintendent, and one copy for the superintendent of public instruction;~~

(b) it ~~shall~~ must be completed on forms promulgated by the superintendent of public instruction;

(c) the parent or guardian shall sign an affidavit attesting to the place of residence of ~~his~~ the child or children; and

(d) it ~~shall~~ must be signed by the ~~chairman~~ presiding officer of the trustees and the parent or guardian of the eligible transportees."

Section 32. Section 20-10-144, MCA, is amended to read:

"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund budget. Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent

1 shall compute the revenue available to finance the transportation fund budget of each district. The
2 superintendent shall compute the revenue for each district on the following basis:

3 (1) The "schedule amount" of the preliminary budget expenditures that is derived from
4 schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

5 (a) the sum of the maximum reimbursable expenditures for all approved school bu
6 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applic
7 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on
8 route approved by the county transportation committee and maintained by the district); plus

9 (b) the total of all individual transportation per diem reimbursement rates for the di
10 determined from the contracts submitted by the district multiplied by the number of pupil-instruct
11 scheduled for the ensuing school attendance year; plus

12 (c) any estimated costs for supervised home study or supervised correspondence study
13 ensuing school fiscal year; plus

14 (d) the amount budgeted on the preliminary budget for the contingency amount per
15 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c)
16 whichever is larger, the contingency amount on the preliminary budget must be reduced to the li
17 amount and used in this determination of the schedule amount; plus

18 (e) any estimated costs for transporting a child out of district when the child has m
19 approval to attend school in a district outside the district of residence.

20 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transp
21 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state an
22 revenue to be budgeted on the following basis:

23 (i) one-half is the budgeted state transportation reimbursement, except that the state transp
24 reimbursement for the transportation of special education pupils under the provisions of 20-7-442
25 50% of the schedule amount attributed to the transportation of special education pupils; and

26 (ii) one-half is the budgeted county transportation fund reimbursement and must be financ
27 manner provided in 20-10-146.

28 (b) When the district has a sufficient amount of ~~each~~ fund balance for reappropriation a
29 sources of district revenue, as determined in subsection (3), to reduce the total district oblig
30 financing to zero, any remaining amount of district revenue and ~~each~~ fund balance reappropriated

used to reduce the county financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a)(i).

(c) The county revenue requirement for a joint district, after the application of any district money under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each county.

(3) The total of the money available for the reduction of property tax on the district for the transportation fund must be determined by totaling:

(a) anticipated federal money received under the provisions of ~~Title I of Public Law 81-874~~ 20 U.S.C. 7701, et seq., or other anticipated federal money received in lieu of that federal act;

(b) anticipated payments from other districts for providing school bus transportation services for the district;

(c) anticipated payments from a parent or guardian for providing school bus transportation services for a child;

(d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in accordance with the provisions of 20-9-213(4);

(e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, and 67-3-204;

(f) anticipated revenue from coal gross proceeds under 15-23-703;

(g) anticipated oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production;

(i) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through 20-5-324;

(j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that may be used to finance the transportation fund; and

(k) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

- (4) The district levy requirement for each district's transportation fund must be computed by:
- (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation budget amount; and
 - (b) subtracting the amount of money available to reduce the property tax on the district, as determined in subsection (3), from the amount determined in subsection (4)(a).
- (5) The transportation fund levy requirements determined in subsection (4) for each district must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the transportation fund levy requirements for the district, and the levy must be made by the county commissioners in accordance with 20-9-142."

Section 33. Section 69-11-202, MCA, is amended to read:

"69-11-202. Establishment and notice of schedule for passenger carriers. ~~Every~~ A common carrier of passengers by railroad or by vessel plying upon waters lying wholly within this state shall establish and give public notice of a schedule time for the starting of trains or vessels from their ~~respective~~ stations or wharves, ~~of which public notice shall be given, and~~ A common carrier shall, weather permitting, except in case of accident or detention caused by connecting lines or weather conditions, start ~~their~~ trains or vessels at or within 10 minutes after the schedule time ~~so established and notice given, under a penalty.~~ Failure to comply is punishable by a fine of \$250 for each neglect so to do, to be recovered by action before any court of competent jurisdiction, upon complaint filed by the county attorney of the county in the name of the state, and paid into the common school fund of the county elementary county equalization fund."

Section 34. Section 85-8-612, MCA, is amended to read:

"85-8-612. Lien of assessments -- payment of assessments against state lands. (1) From the time of the entry of ~~said~~ the order, assessments for construction of new work and additional assessments and interest ~~thereon shall be~~ are a lien upon the lands assessed, until paid. Any owner of land or any corporation assessed for construction may, at any time within 30 days after the confirmation of ~~said~~ the report, pay into court the amount of the assessment against ~~his~~ the land or any tract ~~thereof~~ of the land or against ~~any such~~ the corporation. ~~Said~~ The payment ~~shall relieve said~~ relieves the lands from the lien of ~~said~~ the assessment and ~~said~~ the corporation from all liability on ~~said~~ the assessment.

(2) Upon presentation to the state treasurer of an order of the district court having jurisdiction of the drainage district, properly certified, the department of administration shall draw a warrant on the ~~treasury on the common school fund~~ state general fund in favor of the commissioners of the drainage district for the total amount that may be assessed against any lands included in the district, the title to which is in the state of Montana. Upon payment of the warrant, the lands are relieved from the lien created for the costs of construction."

NEW SECTION. Section 35. Effective date. [This act] is effective July 1, 1997.

-END-

1/20	3RD READING PASSED	48	1
	TRANSMITTED TO HOUSE		
1/21	FIRST READING		
1/21	REFERRED TO HUMAN SERVICES & AGING		
2/10	HEARING		
3/10	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/15	2ND READING CONCURRED	75	23
3/17	3RD READING CONCURRED	76	24
	RETURNED TO SENATE WITH AMENDMENTS		
3/19	2ND READING AMENDMENTS CONCURRED	50	0
3/20	3RD READING CONCURRED AS AMENDED	50	0
3/24	SIGNED BY PRESIDENT		
3/26	SIGNED BY SPEAKER		
3/26	TRANSMITTED TO GOVERNOR		
4/02	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 195		
	EFFECTIVE DATE: ON EFFECTIVE DATE OF REPEAL OF 42		
	U.S.C. 1396p(b)(1)(A) AND (b)(1)(B) OR OF AMENDMENT OF		
	THAT SECTION IN A MANNER PROHIBITING ADJUSTMENT		
	OR RECOVERY OF MEDICAL ASSISTANCE PAID TO		
	INDIVIDUALS DESCRIBED IN THAT SECTION—SECTIONS 4,		
	5, 7 & 8		
	EFFECTIVE DATE: 6 MONTHS AFTER EFFECTIVE DATE OF		
	SECTIONS 4 & 5—SECTIONS 1-3 & 6		

SB 70 INTRODUCED BY GAGE *LC0310 DRAFTER: ERICKSON*

REVISE THE SCHOOL FINANCE AND BUDGETING LAWS
BY REQUEST OF OPI

12/30	INTRODUCED		
1/03	REFERRED TO EDUCATION & CULTURAL RESOURCES		
1/06	FIRST READING		
1/17	HEARING		
1/20	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/22	2ND READING PASSED AS AMENDED	50	0
1/23	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
1/24	FIRST READING		
1/24	REFERRED TO EDUCATION & CULTURAL RESOURCES		
1/29	HEARING		
1/30	COMMITTEE REPORT—BILL CONCURRED		
2/01	2ND READING CONCURRED	89	10
2/03	3RD READING CONCURRED	87	13
	RETURNED TO SENATE		
2/06	SIGNED BY PRESIDENT		
2/07	SIGNED BY SPEAKER		
2/07	TRANSMITTED TO GOVERNOR		
2/12	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 22		
	EFFECTIVE DATE: 07/01/97		

SB 71 INTRODUCED BY TOEWS *LC0311 DRAFTER: ERICKSON*

REVISE THE DUTIES OF ELECTED SCHOOL OFFICIALS
BY REQUEST OF OPI

12/30	INTRODUCED
1/03	REFERRED TO EDUCATION & CULTURAL RESOURCES
1/06	FIRST READING

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 17, 1997, at 1:06 p.m., in Room 402.

ROLL CALL

Members Present:

Sen. Daryl Toews, Chairman (R)
Sen. C.A. Casey Emerson, Vice Chairman (R)
Sen. Debbie Bowman Shea (D)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Wm. E. "Bill" Glaser (R)
Sen. John R. Hertel (R)
Sen. Loren Jenkins (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Eddye McClure, Legislative Services Division
Janice Soft, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 70, SB 71; Posted 01/09/97
Executive Action: SB 70, SB 71, SB 21, SB 15,
SB 4, SB 117

HEARING ON SB 70

Sponsor: SEN. DELWYN GAGE, SD 43, Cut Bank

Proponents: Kathy Fabiano, Office of Public Instruction
Lance Melton, Montana School Boards Association
Don Waldron, Montana Rural Education Association
Loran Frazier, School Administrators of Montana
(oral testimony sent with Don Waldron)
Linda Brannon, Montana Association of School
Business Officials

Opponents: None.

Opening Statement by Sponsor:

SEN. DELWYN GAGE, SD 43, Cut Bank, said he would let someone from OPI explain SB 70.

Proponents' Testimony:

Kathy Fabiano, Office of Public Instruction (OPI), explained the changes to Montana Code as presented in SB 70. She said OPI was asking for one amendment to SB 70, and that would be to delete Section 34. Ms. Fabiano explained it was inadvertently left in SB 70. (EXHIBIT 1)

Lance Melton, Montana School Boards Association (MSBA), said MSBA supported SB 70 but they had minor amendments to Pages 9 and 10, because some language was inadvertently deleted. He said MSBA had shared the amendments with SEN. GAGE. He reminded the Committee MSBA supported OPI's attempt to clean up the language and MSBA would be available for questions. (EXHIBIT 2)

Don Waldron, Montana Rural Education Association (MREA), said MREA supported SB 70. Mr. Waldron also offered support on behalf of Loran Frazier, School Administrators of Montana (SAM), who could not attend this Committee hearing because of other commitments.

Linda Brannon, Indian Impact Schools and Montana Association of School Business Officials (MASBO), said both groups supported SB 70. She explained SB 70 helped school business officials because dates which were overlooked in the 1995 session were clarified. She stated the Indian Impact Schools supported SB 70 because the clarification of the 55, 22 and 33 mills cemented the calculations which Indian Impact Schools have been doing with the federal government. She said both groups had no problem with the OPI amendment but had not been able to study those amendments offered by MSBA.

Opponents' Testimony: None.

{Tape: 1; Side: A; Approx. Time Count: 1:17 p.m.}

Questions From Committee Members and Responses:

SEN. LOREN JENKINS asked Kathy Fabiano if she had seen and approved the amendments offered by MSBA. Ms. Fabiano said OPI had no objection to them.

SEN. DARYL TOEWS asked about the reference to non-budgeted and Ms. Fabiano clarified by saying the 1995 session created a new fund for school districts which would be receiving money for the first time in fiscal year 1998, and this money would be coming from the increased timber harvests. She said when the fund was created, it was a budgeted fund, which would make it the first fund that would receive no tax levy monies

Ms. Fabiano explained OPI thought school districts would have a hard time budgeting this fund because the distribution of the monies collected would be unpredictable until the fiscal year was over. At that time OPI would know how much the state had collected from the timber harvests, and then would distribute the money to schools, based on their ANB. She said OPI felt this fund met the definition of a non-budgeted fund rather than a budgeted. **SEN. TOEWS** commented this fund was outside the budget caps and **Ms. Fabiano** agreed.

SEN. TOEWS then asked about the child count for ANB, now taken in October and February, and its authenticity. **Ms. Fabiano** answered OPI asked auditors to check those counts at the time of their annual audit.

SEN. LOREN JENKINS asked about the language deletion of "PL 874" and replacement language of "Impact Aid". **Ms. Fabiano** said there was still Impact Aid money; however, it was reauthorized in 1994 by Congress so it was no longer Public Law 81-874. Therefore, OPI's attorneys recommended putting in the US Code reference. **Eddye McClure** said "Public Law" was usually something referred to before it became codified in federal law.

SEN. TOEWS referred to Page 5, Number 14, and commented on the stricken part of the code. **Ms. Fabiano** explained currently Section 20-9-334 said the county superintendent would allocate the county equalization monies to districts, when in fact, the distribution was done by the state superintendent, whose office was referenced in 335.

Closing by Sponsor:

SEN. GAGE asked the Committee to look favorably on SB 70.

{Tape: 1; Side: A; Approx. Time Count: 1:24 p.m.}

HEARING ON SB 71

Sponsor: **SEN. DARYL TOEWS, SD 48, Lustre**

Proponents: **Gail Gray, Office of Public Instruction**
Erik Hanson, Governor's Office
Don Waldron, Montana Rural Education Association
Loran Frazier, School Administrators of Montana
(oral testimony sent with Don Waldron)
Lance Melton, Montana School Boards Association

Opponents: **None.**

Chairman: **SEN. DARYL TOEWS** turned the meeting over to **SEN. CASEY EMERSON, VICE CHAIRMAN**, during the hearing of SB 71.

Opponents' Testimony: None.

{Tape: 1; Side: A; Approx. Time Count: 1:34 p.m.}

Questions From Committee Members and Responses:

SEN. BARRY "SPOOK" STANG asked if SB 71 was a back door approach to the four-day school week. Gail Gray said it was not; rather, 180 days was still required -- the flexibility was in the aggregate number of hours.

SEN. STANG commented he understood the time was now changed to hours rather than days. SEN. TOEWS answered by saying no matter how it was figured, 180 days would still be the figure.

SEN. MIKE SPRAGUE asked if SB 71 was a delegating or abdicating of legislative authority. SEN. TOEWS said he viewed it as standing on campaign promises, i.e. delegating, or not giving up legislative power.

SEN. DELWYN GAGE asked Eric Feaver, Montana Education Association (MEA), his opinion on SEN. STANG'S concern on the four-day school week. Mr. Feaver said he agreed with SEN. TOEWS in that SB 71 was not a four-day school bill.

Closing by Sponsor:

SEN. TOEWS said it was his opinion SB 71 was headed in the right direction; therefore, he urged encouragement of OPI's efforts by passing SB 71.

SEN. CASEY EMERSON, VICE CHAIRMAN, turned the meeting back to SEN. DARYL TOEWS, CHAIRMAN.

EXECUTIVE ACTION ON SB 70

Amendments: Eddye McClure explained the amendments acted upon would be conceptual because Gail Gray, in her testimony, asked for the deletion of Section 34 and Lance Melton distributed copies of amendments MSBA was recommending.

Motion/Vote: SEN. LOREN JENKINS MOVED DO PASS FOR THE AMENDMENT TO REMOVE SECTION 34 IN ITS ENTIRETY. Motion CARRIED 10-1, with SEN. STANG voting NO.

Motion/Vote: SEN. DELWYN GAGE MOVED DO PASS FOR THE AMENDMENTS SUBMITTED BY MSBA. (EXHIBIT 2) Motion CARRIED 10-1, with SEN. SHEA voting NO. [Editor's Note: Both amendments are combined in SB007001.AEM, (EXHIBIT 4)]

Motion/Vote: SEN. CASEY EMERSON MOVED DO PASS FOR SB 70 AS AMENDED. Motion CARRIED UNANIMOUSLY, 11-0.

SENATE BILL NO. 70

SECTION BY SECTION DESCRIPTION

PREPARED BY THE OFFICE OF PUBLIC INSTRUCTION

Sections 1, 3, 12, 15, 28: Standardize and update the term used in statute to reference the federal impact aid program.

Sections 2, 8, 9, 13, 18, 20, 21, 22, 24, 25, 33: Standardize the terms used in statute to reference county equalization aid and the two funds used by counties to account for those revenues.

Section 6: Corrects the name of the Miscellaneous Programs Fund to be consistent with 20-9-507, and clarifies that all school funds must be administered in accordance with the provisions of Title 20. Examples of "other funds" include student extracurricular funds and district self-insurance funds.

Sections 5 and 7: Delete the requirement for teachers' to maintain a daily record of pupil attendance and absence on forms provided by the Office of Public Instruction. HB667 in the 1993 session changed the method of calculating a district's average number belonging (ANB) from using daily attendance and absence data to using two enrollment counts taken in October and February. Consequently, the state superintendent no longer prescribes the form or format teachers use to collect daily attendance and absence information.

Section 10: Changes the deadline for high school boundary changes to be consistent with the elementary boundary change deadlines in 20-6-202. The deadline is necessary to ensure official taxable valuations are finalized and available to school districts for calculating budgets and levies. Department of Revenue officials agree with this change.

Section 11: Clarifies that a lease-purchase agreement is subject to the same statutory restrictions as a lease of real and personal property which does not include a purchase option.

Section 14: Changes the dates for publishing notice of a district's final budget meeting to coordinate with a change made by the 1993 L. In 1993 the date for the final budget meeting was extended by approximately 2 weeks. The dates for publishing notice of the meeting should have also been extended by two weeks at that time, but were overlooked. The second amendment in this section changes the budget meeting date from the fourth to the second Monday in August to be consistent with 20-9-131.

Section 16: Removes language in subsection 5(e) that is inconsistent with subsections 5(a) - 5(d). The language removed implies that protested taxes are the only source for funding a budget amendment for deferred projects when, in fact, subsections (b) - (d) provide for three more sources.

Section 17: Clarifies that only state aid payments that are based on a district's enrollment would be subject to an increase when enrollment increases. The term "BASE funding program" includes payments, for example guaranteed tax base aid, that do not increase when enrollment increases.

Section 19: Clarifies that both a district's per-ANB entitlement and basic entitlement may need to be adjusted if the district anticipated an enrollment increase that does not materialize. An elementary district receives a higher basic entitlement if it has an accredited 7-8 grade program. The amount of the basic entitlement depends on a district's enrollment in grades K-6 versus the enrollment in grades 7-8. If those enrollment numbers change, the proration changes, changing the basic entitlement amount.

Sections 4, 23 and 24: Amendments in these sections are intended to make 20-9-334 consistent with 20-9-335 and with current practice. County equalization moneys are remitted to the state from county treasurers, so our office is calculating the apportionment of those revenues to school districts. Also, consistent with 20-5-324(6), the amendments clarify that out-of-county tuition for both elementary and high school students is deducted from county equalization revenues before those revenues are remitted to the state.

Section 26: Updates the terms now used for federal impact aid program and district indirect cost recoveries.

Section 27: Clarifies the limit on the amount a K-12 district may hold in the lease rental fund is \$20,000, \$10,000 for the elementary program and \$10,000 for the high school program.

Section 29: Changes the Technology Acquisition Fund from a budgeted fund to a nonbudgeted fund, to be consistent with other nonbudgeted funds that have similar characteristics. Budgeted funds are typically funded with a property tax levy, which this fund is not. The revenue source for the fund is a state grant for school technology purchases. Also, we believe that next year there will be federal grant monies available to districts for technology and are amending this section to allow districts to deposit those federal dollars in the Technology Acquisition Fund as well.

Section 30: Clarifies when OPI will pay the state grant to schools for technology purchases.

Section 31: Deletes the requirement for districts to submit copies of their bus contracts to OPI, since we have no use for them.

Section 32: Corrects the reference from cash balance to fund balance to be consistent with generally accepted accounting principles. Also corrects the term used for federal impact aid.

Proposed Amendment to Senate Bill 70

The proposed amendment below modifies subsection (3), currently scheduled for deletion under Senate Bill 70.

Page 9, line 13

Insert: (c) keep, in a neat and businesslike manner, a teacher's register of attendance and grades;
(d) within 10 days after the conclusion of each school semester, prepare a report which must include the pupil attendance and absence data from his teacher's register, and grades. The report must be submitted to:
(i) the district superintendent, if there is one;
(ii) the principal of the school, if there is one and there is no district superintendent; or
(iii) the county superintendent or all county superintendents when the teacher is reporting for a joint district, if there is no district superintendent or principal.

Page 9, line 23

Strike: (c)

Insert: (e)

Page 9, line 25

Strike: (d)

Insert: (f)

Page 10, line 2

Insert: (3) The trustees may not pay any teacher his last month's salary until he has provided a complete and accurate semester report to the required person, as determined by the person and as required in subsection (1)(d) of this section."

What the above-referenced amendments will do to
existing section 20-4-301, MCA:

"20-4-301. Duties of teacher -- nonpayment for failure to comply. (1) Any teacher under contract with a district shall:

(a) conform to and enforce the laws, board of public education policies, and the policies of the trustees of the district;

(b) ~~utilize~~ use the course of instruction prescribed by the trustees;

(c) keep, in a neat and businesslike manner, a teacher's register ~~in the form and on the blanks prescribed by the superintendent of public instruction of attendance and grades;~~

(d) within 10 days after the conclusion of each school semester, prepare a report ~~in the manner and on the forms prescribed by the superintendent of public instruction;~~ which must include the pupil attendance and absence data from ~~his~~ the teacher's register ~~that is necessary to calculate ANB, and grades.~~ The report must be submitted to:

(i) the district superintendent, if there is one;

(ii) the principal of the school, if there is one and there is no district superintendent; or

(iii) the county superintendent or all county superintendents when the teacher is reporting for a joint district, if there is no district superintendent or principal.

(e) exercise due diligence in the care of school grounds and buildings, furniture, equipment, books, and supplies; and

(f) provide moral and civic instruction by:

(i) endeavoring to impress the pupils with the principles of morality, truth, justice, and patriotism;

(ii) teaching the pupils to avoid idleness, profanity, and falsehood;

(iii) instructing the pupils in the principles of free government and training them to comprehend the rights, responsibilities, and dignity of American citizenship.

(2) The trustees are authorized to withhold the salary warrant of any teacher who does not comply with the provisions of subsection (1)(a) or (1)(b) until the teacher does comply with the provisions.

(3) The trustees may not pay any teacher his last month's salary until he has provided a complete and accurate semester report to the required person, as determined by the person and as required in subsection (1)(d) of this section."

Amendments to Senate Bill No. 70
First Reading Copy

For the Senate Committee on Education and Cultural Resources

Prepared by Eddye McClure
January 17, 1997

1. Title, lines 8 and 9.

Following: "INSTRUCTION;"

Strike: remainder of line 8 through "REGISTER;" on line 9

2. Title, line 24.

Following: "20-10-144,"

Insert: "AND"

Following: "69-11-202,"

Strike: "AND 85-8-612,"

3. Page 9, line 22.

Following: "~~principal~~."

Insert: "(c) keep, in a neat and businesslike manner, a
teacher's register in the form and on the blanks prescribed
by the superintendent of public instruction;
(d) within 10 days after the conclusion of each school
semester, prepare a report that must include the pupil attendance
and absence data from the teacher's register and grades. The
report must be submitted to:

(i) the district superintendent, if there is one;

(ii) the principal of the school, if there is one and there
is no district superintendent; or

(iii) the county superintendent or all county
superintendents when the teacher is reporting for a joint
district, if there is no district superintendent or principal."

Renumber: subsequent subsections

4. Page 10.

Following: line 4

Insert: "(3) The trustees may not pay any teacher the teacher's
last month's salary until the teacher has provided a
complete and accurate semester report to the required
person, as determined by the person and as required in
subsection (1) (d)."

5. Page 30, line 23 through page 31, line 6.

Strike: section 34 in its entirety

Renumber: subsequent section

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 18, 1997

MR. PRESIDENT:

We, your committee on Education and Cultural Resources having had under consideration SB 70 (first reading copy -- white), respectfully report that SB 70 be amended as follows and as so amended do pass.

Signed: 
Senator Daryl Toews, Chair

That such amendments read:

1. Title, lines 8 and 9.

Following: "INSTRUCTION;"

Strike: remainder of line 8 through "REGISTER;" on line 9

2. Title, line 24.

Following: "20-10-144,"

Insert: "AND"

Following: "69-11-202,"

Strike: "AND 85-8-612,"

3. Page 9, line 22.

Following: "~~principal~~."

Insert: "(c) keep, in a neat and businesslike manner, a teacher's register in the form and on the blanks prescribed by the superintendent of public instruction;

(d) within 10 days after the conclusion of each school semester, prepare a report that must include the pupil attendance and absence data from the teacher's register and grades. The report must be submitted to:

(i) the district superintendent, if there is one;

(ii) the principal of the school, if there is one and there is no district superintendent; or

(iii) the county superintendent or all county superintendents when the teacher is reporting for a joint district, if there is no district superintendent or principal."

Renumber: subsequent subsections

4. Page 10.

Following: line 4

Insert: "(3) The trustees may not pay any teacher the teacher's last month's salary until the teacher has provided a complete and accurate semester report to the required person, as determined by the person and as required in subsection (1)(d)."

5. Page 30, line 23 through page 31, line 6.

Strike: section 34 in its entirety

Renumber: subsequent section

-END-


Amd. Coord.
818 Sec. of Senate

120859SC.SRF

DATE 1/17/97

SENATE COMMITTEE ON Education

BILLS BEING HEARD TODAY: SB 70, SB 71

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Kathy Labiano	OPI	SB 70	X	
Lynda Barron	MASBO / Impact Aid	SB 71 SB 70	X X	
Jul Soy	OPD	SB 71	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By CHAIRMAN ALVIN A. ELLIS, JR., January 29,
1997, at 3:00 P.M., in Room 312-1.

ROLL CALL

Members Present:

Rep. Alvin A. Ellis, Jr., Chairman (R)
Rep. Peggy Arnott, Vice Chairman (Majority) (R)
Rep. Dan W. Harrington, Vice Chairman (Minority) (D)
Rep. Paul Bankhead (R)
Rep. Matt Denny (R)
Rep. Kim Gillan (D)
Rep. Antoinette R. Hagener (D)
Rep. George Heavy Runner (D)
Rep. Sam Kitzenberg (R)
Rep. Bob Lawson (R)
Rep. Gay Ann Masolo (R)
Rep. Linda McCulloch (D)
Rep. Norm Mills (R)
Rep. William Rehbein, Jr. (R)
Rep. John "Sam" Rose (R)
Rep. Richard D. Simpkins (R)
Rep. Joe Tropila (D)
Rep. Allan Walters (R)

Members Excused: None.

Members Absent: None

Staff Present: Connie Erickson, Legislative Services Division
Alberta Strachan, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 70 (1/27/97); HB 314
(1/23/97)
Executive Action: HJR 8; HB 79; HB 245; HB 246;
SB 70 (Action on HB 79 was
deferred to a later date).

HEARING ON SB 70

Opening Statement by Sponsor: SEN. DELWYN GAGE, H.D. 43
introduced the bill. EXHIBIT 1.
{Tape: 1; Side: 1; Approx. Time Count: .3.}

Proponents' Testimony:

Kathy Fabiana, Office of Public Instruction.
{Tape: 1; Side: 1; Approx. Time Count: 1.2.}

Lance Melton, Montana School Board Association.
{Tape: 1; Side: 1; Approx. Time Count: 8.5.}

Lynda Brannon, Montana Association of School Business Officials
and Indian Impact Schools.
{Tape: 1; Side: 1; Approx. Time Count: 9.1.}

Loren Frazier, Montana School Administrators.
{Tape: 1; Side: 1; Approx. Time Count: 9.8.}

Opponents' Testimony: None.
{Tape: 1; Side: 1; Approx. Time Count: 10.0.}

Informational Testimony: None.

Questions From Committee Members and Responses:
{Tape: 1; Side: 1; Approx. Time Count: 10.2.}

Closing by Sponsor: The hearing was closed.
{Tape: 1; Side: 1; Approx. Time Count: 13.3.}

HEARING ON HB 314

Opening Statement by Sponsor: REP. RICHARD SIMPKINS, H.D. 49
introduced the bill.
{Tape: 1; Side: 1; Approx. Time Count: 13.6.}

Proponents' Testimony:

Don Waldron, Montana Rural Education Association.
{Tape: 1; Side: 1; Approx. Time Count: 15.2.}

Opponents' Testimony: None.
{Tape: 1; Side: 1; Approx. Time Count: 15.6.}

Informational Testimony: None.

Questions From Committee Members and Responses:
{Tape: 1; Side: 1; Approx. Time Count: 16.3.}

Closing by Sponsor: REP. SIMPKINS closed on the bill.
{Tape: 1; Side: 1; Approx. Time Count: 27.0.}

Discussion:

{Tape: 1; Side: 2; Approx. Time Count: 14.6.}

Vote: Question was called. Motion failed to adopt the Montana School Boards Association amendments 4-13 with **REP. MASOLO** not voting.

{Tape: 1; Side: 2; Approx. Time Count: 30.1.}

Vote: Question was called. Motion that HB 246 Do Pass failed 8-9 on a roll call vote with **REP. MASOLO** not voting.

{Tape: 1; Side: 2; Approx. Time Count: 34.6.}

Motion/Vote: **REP. HARRINGTON MOVED HB 246 BE TABLED.** Motion carried 9-8 with **REP. MASOLO** not voting.

{Tape: 1; Side: 2; Approx. Time Count: 35.0.}

EXECUTIVE ACTION ON SB 70

Motion/Vote: **REP. ARNOTT MOVED SB 70 BE CONCURRED IN.** Motion carried unanimously. **CHAIRMAN ELLIS** will carry SB 70 on the House floor.

{Tape: 1; Side: 2; Approx. Time Count: 39.0.}

EXHIBIT 1

DATE 1-29-97

#8 70

^{SD}
Amendments to ~~House Bill~~ No. ²⁰~~79~~
First Reading Copy

Requested by Representative Simpkins
For the House Committee on Education and Cultural Resources

Prepared by Connie Erickson
January 20, 1997

1. Title, lines 7 through 10.

Strike: "PROHIBITING" on line 7 through ";" on line 10

2. Page 2, lines 3 through 6.

Strike: subsection (4) in its entirety

Insert: "(4) A proposed rule, policy, or standard not found by
the board to have a substantial financial impact on school
districts or funded by the legislature may be implemented at
any time."



HOUSE STANDING COMMITTEE REPORT

January 30, 1997

Page 1 of 1

Mr. Speaker: We, the committee on Education report that Senate Bill 70 (third reading copy -- blue) be concurred in.

Signed: 
Alvin Ellis, Jr., Chair

Carried by: Rep. Ellis

Committee Vote:
Yes 18, No 0.

1130

220929SC.Hgd

HOUSE OF REPRESENTATIVES

COMMITTEE ON EDUCATION

ROLL CALL

DATE 1-29-97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Alvin A. Ellis, Chairman	X		
Rep. Peggy Arnott	X		
Rep. Dan W. Harrington	X		
Rep. Paul Bankhead	X		
Rep. Matt Denny	X		
Rep. Kim Gillan	X		
Rep. Antoinette R. Hagener	X		
Rep. George Heavy Runner	X		
Rep. Sam Kitzenberg	X		
Rep. Bob Lawson	X		
Rep. Gay Ann Masolo	X		X
Rep. Linda McCulloch	X		
Rep. Norm Mills	X		
Rep. William Rehbein	X		
Rep. John "Sam" Rose	X		
Rep. Richard D. Simpkins	X		
Rep. Joe Tropila	X		
Rep. Allan Walters	X		